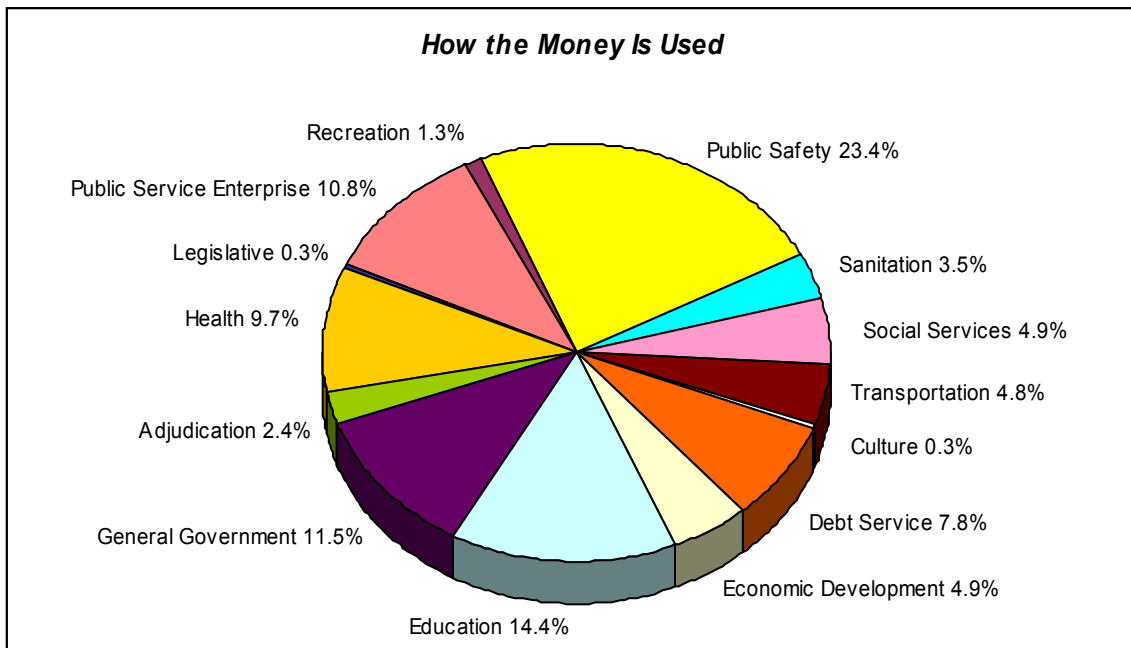
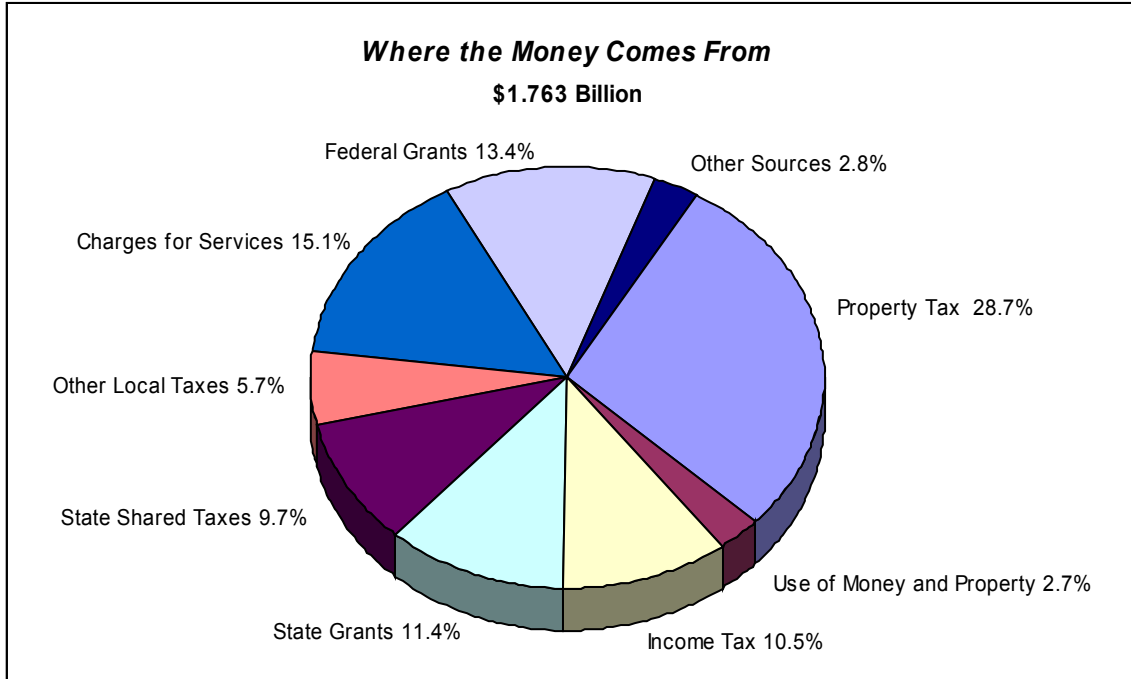


FISCAL 2003

## OPERATING BUDGET

### Finance Recommendations



## SUMMARY OF RECOMMENDATIONS

### Operating Budget Plan

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#### General Fund

The Preliminary Budget Plan does not propose any tax rate changes. The real and personal property tax rates remain at \$2.328 and \$5.82 per \$100 of assessed valuation, respectively, and the locally imposed income tax rate remains unchanged.

The General Fund total revenue estimate of \$988.4 million represents growth of slightly more than 4.4%. The City's outlook for growth in property taxes is estimated at 1.7% on a budget to budget basis. Included is a 2.6 % growth in real property taxes, the largest seen in nine years. On a budget to budget basis, income tax revenue is estimated to increase about 6.7%. The estimate reflects the full year impact of the recent increase in rate enacted into law last spring. The City's largest source of General Fund State Aid, the income tax disparity aid grant, increases 18.2% as a result of the continuing gap between the City's per capita income tax group and the statewide average.

The City continues to examine all options available in striving to operate in the most cost-efficient and responsive manner possible. One new initiative for Fiscal 2003 that will increase cost-effectiveness is to outsource custodial services in the Department of Recreation and Parks. This recommendation is based on the Bureau of General Services' model that was implemented in Fiscal 2002. A second initiative that is recommended is a partial implementation of the Greater Baltimore Committee and Presidents' Roundtable recommendation to alter the manner by which the City currently operates its employee health clinic and worker's compensation programs. For Fiscal 2003 the Division of Occupational Safety of the Department of Human Resources is transferred to the Office of Risk Management in the Department of Finance. Plans are underway to secure competitive bids to outsource both the City's health clinic and worker's compensation claims processing. Finally, the budget plan includes the merger of the Baltimore Office of Promotion with the administrative component of the Mayor's Advisory Committee on Art and Culture (MACAC). The consolidation of MACAC and the Office of Promotion will form a new quasi-public agency – the Baltimore Office of Promotion and Arts.

Since 1999 the City has taken advantage of the unallocated interest earnings of the Fire and Police Retirement System that had accrued due to the strength of the economy. These unallocated interest earnings were utilized each year to make the City's annual contribution to the system. Since there no longer are any unallocated interest earnings available in the Fire and Police Retirement System, there can no longer be a diversion of the City annual contribution to one-time operating and PAYGO capital uses. The Fiscal 2003 contribution from the General Fund is \$31.4 million, representing an increase of \$4.5 million, or 16.7%.

The modest revenue growth that is forecast for the City in Fiscal 2003 cannot keep pace with the 9.5% increase in appropriations that was requested by City agencies for operations. Available resources, as in the past, will continue to fall short of the demands for the funding of services.

The initiatives mentioned above in addition to limiting spending within the resources available for Fiscal 2003 will require the continuation of a workforce reduction. A total of 458 full-time positions are recommended for abolishment which includes 185 full-time positions related to Fiscal 2002 privatization of custodial and security guard services.

<i>Dollars in Millions</i>	<b>Fiscal 2002</b>	<b>Fiscal 2003</b>	<b>Change</b>	<b>% Change</b>
OPERATING APPROPRIATIONS	\$936.1	\$985.4	\$49.3	5.3%
FULL-TIME POSITIONS				
Classified	4,645	4,259	(386)	(8.3)%
Sworn	4,598	4,663	65	1.4%
Total	9,243	8,922	(321)	(3.5)%

**BALTIMORE DEVELOPMENT CORPORATION** – The Fiscal 2003 appropriation plan is recommended at \$2.5 million, an increase of \$0.3 million, or 13.6% above the Fiscal 2002 level of appropriation. The recommendation includes a decrease in the agency's Basic Operating Grant of \$105,000. Due to a general decline in downtown office rentals it is anticipated that there will not be sufficient rents collected from tenants of the City owned 7 East Redwood Street building to cover the building's operating costs. Therefore a City subsidy of \$425,000 is recommended to support building operations.

Funding for the Magnetic Levitation (Maglev) project is recommended at \$100,000, the same level as in Fiscal 2002. This funding provides for the cost of one staff position assigned to the study of a Maglev train system for the Baltimore-Washington corridor.

**BOARD OF ELECTIONS** – The recommendation for Fiscal 2003 is \$3.3 million, an increase of \$1.5 million, or 83.3% above the Fiscal 2002 level of appropriation. This increase is needed to support two elections scheduled to be held during Fiscal 2003. There were no elections in Fiscal 2002.

**CIRCUIT COURT** – The Fiscal 2003 recommendation is \$7.7 million, a decrease of \$594,000 or 7.2% below the Fiscal 2002 level of appropriation. Thirty law clerk positions (\$937,000) are abolished as a result of State legislation making them State employees beginning in August 2002. Ten Juvenile Court security guard positions (\$307,000) are also being abolished. These positions will no longer be needed because the City's Sheriff Office will provide security services at the new Juvenile Justice Facility. The Fiscal 2003 recommendation includes \$200,000 to create three new positions -- Information Technology Officer, Juvenile Court Services Coordinator, and an Audio Technician for the Court Reporter's Unit.

**CIVIC PROMOTION** – The Fiscal 2003 recommendation is \$10.0 million, an increase of \$977,000 or 10.8% above the Fiscal 2002 level of appropriation. This increase is primarily due to the transfer of the expenses (\$448,000) associated with the administrative component of the Mayor's Advisory Committee on Art and Culture (MACAC). MACAC is to be merged with the

Baltimore Office of Promotion to create a new quasi-public agency called the Baltimore Office of Promotion and Arts. It is expected that this merger will enhance financial and facilities management for the new entity so as to allow it to leverage its City grant contribution to attract private contributions and sponsorships and thus enable it to enhance existing programmatic operations. As a result, this merger will require \$108,000 for the rental of office space and \$58,000 for one new fiscal position.

The recommended level for the Baltimore Area Convention and Visitors Association (BACVA) will increase from \$7.2 million to \$7.5 million. The continued growth in the amount of this City grant is due to State legislation, which requires the City General Fund to appropriate an amount equal to 40.0% of the City's Hotel Tax receipts.

**CONVENTION COMPLEX** – The Fiscal 2003 recommendation is \$12.3 million, an increase of \$519,000 or 4.4% above the Fiscal 2002 level of appropriation. The budget plan includes an increase of \$300,000 in property maintenance, primarily to fund the second year of a carpet replacement project. A \$250,000 increase for utilities has also been included. The agency's subsidy from the Maryland Stadium Authority remains virtually unchanged at \$2.8 million. Convention Center revenues are estimated at \$10.6 million. A level subsidy of \$450,000 for operation of the Baltimore Arena is also included in the recommended appropriation.

**EMPLOYEES' RETIREMENT CONTRIBUTION** – In order to improve the accounting for the City's contributions to its employees' retirement systems the recommendation for Fiscal 2003 includes budgeting for these costs under a new Mayoralty - Related program. These General Fund costs will no longer be recommended to be included in the budgets of City agencies. The recommendation includes:

- **Fire and Police Retirement System** - Starting with Fiscal 1999 the City has taken advantage of the unallocated interest earnings of the system that had accrued due to the strength of the economy. These unallocated earnings were utilized in each year to make the City's annual contribution. For Fiscal 2002 the City utilized the contribution diversion funding to pay for certain one-time operating costs and for PAYGO capital projects. This budget plan recommends that the City once again make the direct contribution. The contribution requirement for Fiscal 2003 is \$31.4 million, a \$4.5 million increase above the Fiscal 2002 level.
- **Employees' Retirement System** – The recommendation for Fiscal 2003 is \$6.1 million, an increase of \$0.3 million, or 5.7% for the Fiscal 2002 required contribution.

**ENOCH PRATT FREE LIBRARY** – The recommendation for Fiscal 2003 is \$18.8 million, an increase of \$786,000 or 4.4% above the Fiscal 2002 level of appropriation. The budget plan includes the conversion of two branches to Community Reading rooms and the termination of the Library's partnership with the Port Discovery Children's Museum. Overall the Fiscal 2003 recommendation for positions is 343, a net increase of one position.

**FIRE DEPARTMENT** – The recommended spending authority for the Fire Department in Fiscal 2003 is \$111.6 million, or 4.1% above Fiscal 2002. Due to an increase in support of medical services from ambulance fee growth the net affect on the General Fund will be an increase of \$1.2 million or 1.1%.

The recommendation supports 1,724 positions, or two positions below the Fiscal 2002 level. The transfer of two positions (\$100,000) from the Office of Emergency Management of the Department of Public Works is offset by the abolishment of four administrative positions. There is no change to uniformed positions count of 1,675. Full-time salaries are funded to grow by \$3.1 million to cover negotiated pay increases and seniority based raises.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** – The recommendation for Fiscal 2003 is \$8.1 million, a decrease of \$1.0 million, or 11.0% below the Fiscal 2002 level of appropriation. A net increase of 16 in position count is due to the transfer of 17 positions from other funds into the General Fund (16 Federal, 1 Special) and the abolishment of one position. This shift is recommended to more accurately reflect the funding sources. A General Fund savings of \$1.2 million was achieved by shifting eligible costs from the General Fund to the Community Development Block Grant (CDBG) funding in the areas of Neighborhood Services (Housing Inspection) and Office of Acquisitions. The department is re-programming CDBG funds within a Consolidated Plan that will allow this shift. Additional funding support is made possible with an increased amount chargeable through the Indirect Cost Allocation Plan (ICAP). It is anticipated that the current level of services will be maintained.

**DEPARTMENT OF HUMAN RESOURCES** – The recommended appropriation level is \$1.8 million, a net decrease of \$302,000 or 14.4% below the Fiscal 2002 level of appropriation. This reduction is the result of transferring the Division of Occupational Safety to the Office of Risk Management in the Department of Finance, offset by an increase of \$96,000 for the remainder of the department.

It is expected that the City's Health Clinic and worker compensation claim processing functions will be outsourced for Fiscal 2003.

**LAW DEPARTMENT** – The Fiscal 2003 recommendation is \$3.2 million, a decrease of \$643,000 or 16.7% below the Fiscal 2002 level of appropriation. The budget plan includes the abolishment of 14 filled positions (\$870,000). This recommendation includes \$135,000 to create three new positions in the MBE compliance unit to fulfill the mandates found under Article V, Subtitle 28 of the City Code. The Fiscal 2003 plan also includes \$150,000 for continuing office automation, including a \$20,000 information technology upgrade to the MBE on-line reporting system.

**LOCAL SHARE CONTRIBUTION** – The Fiscal 2003 recommendation for local support of the Baltimore City Public School system is \$200.9 million, an increase of \$140,000 or 1.0% above the Fiscal 2002 level of appropriation. The required Maintenance of Effort amount for Fiscal 2003 is \$193.8 million, approximately \$1.6 million higher than in Fiscal 2002. However, this Maintenance of Effort amount is about \$4.0 million lower than what the City is providing in support for Fiscal 2003 due to a 2.0% drop (1,881 FTE students) in enrollment. The City will maintain the \$4.0 million additional amount, which represents \$44 per pupil more than statutorily required, in order not to reduce its support of the school system. The City also provides \$3.1 million in support of certain services as specified in the law, which created the New Board of School Commissioners. These so-called transition services increased approximately \$140,000 (4.7%) as a result of salary and benefit increases.

**MAYOR'S ADVISORY COMMITTEE ON ART AND CULTURE** - The recommendation for Fiscal 2003 includes the transfer of \$448,000 associated with the administrative component of the Mayor's Advisory Committee on Art and Culture (MACAC) to the Baltimore Office of Promotion. MACAC will merge with the Office of Promotion to create a new quasi-public City agency called the Baltimore Office of Promotion and Arts. The impact of the merger will be the abolishment of six positions for Fiscal 2003.

**MAYOR'S OFFICE OF CRIMINAL JUSTICE** – The Mayor's Office of Criminal Justice has been transferred to the Police Department for Fiscal 2003. This transfer is recommended to provide enhanced administrative coordination over the federal and State public safety grants that come through this entity that are then passed through to various City agencies. Included is the transfer of five positions.

**MAYOR'S OFFICE OF INFORMATION TECHNOLOGY** – The recommendation for the agency's base operations for Fiscal 2003 is \$4.0 million, a decrease of \$650,000 or 14.0 % below the Fiscal 2002 level of appropriation. This plan includes the abolishment of six positions (\$254,000) including one clerical and five information technology positions, as well as the deletion of \$422,000 in Pending Personnel Actions that was included in the Fiscal 2002 budget.

As a natural extension to the Mayor's Citistat vision, the Mayor's Office of Information Technology (MOIT) has initiated, developed and implemented the enterprise-wide CitiTrack system which facilitates standardized call-intake/work order management for many City agencies. The CitiTrack system has become an integral part in City management's drive to measure agency performance and elicit agency management accountability. Recommended for Fiscal 2003 is a \$2.7 million General Fund component to fund a Customer Service Request implementation plan or a "One Call" Center. Additionally \$2.9 million of General Fund cost that had previously been budgeted in the annual capital plan will now be budgeted as an operating expense.

**MISCELLANEOUS GENERAL EXPENSES** – The recommendation for Fiscal 2003 is \$8.3 million, a decrease of \$9.8 million, or 54.1% below the Fiscal 2002 level of appropriation. The following one-time appropriations have been eliminated: \$5.0 million - General Fund Reserve; \$1.8 million - Special Projects, an initiative that provides grants for one-time only projects that address the Mayor's initiatives; \$1.6 million - Internal Service Fund Contribution for Construction Management activities; \$904,000 - Employees Leave Payout and \$290,000 - State Grants Adjustment.

**POLICE DEPARTMENT** - The recommendation for Fiscal 2003 is \$243.6 million, an increase of \$15.7 million, or 6.9% above the Fiscal 2002 level of appropriation. Of this amount, \$13.2 million is to be used to fund a 9.0% salary increase for sworn personnel.

The Mayor's Office of Criminal Justice has been transferred to the Police Department. This transfer is recommended to provide enhanced administrative coordination over the federal and State public safety grants that come to this entity that are then passed through to various City agencies. Included is the transfer of five positions and \$677,600.

In keeping with the past practice of accepting federal grants for adding police officers to the force, the General Fund will absorb 67 positions at a cost of \$3.6 million. This action brings to

397 the number of police officer positions authorized under federal grants between 1994 and 2003, which are now supported by the General Fund. The transfer of these 67 positions from the Federal Fund is required to meet the grant requirements for the COPS Distressed Neighborhoods (47 positions) and COPS Universal Hiring - Phase II (20 positions) grants.

Also recommended is the abolishment of 39 vacant civilian positions (\$1.2 million) and the elimination of one-time cost to pay FLSA-related overtime expenses incurred from prior years (\$1.9 million).

**DEPARTMENT OF PUBLIC WORKS** – The Fiscal 2003 recommended appropriation level for the Department of Public Works is \$49.1 million, a decrease of \$973,000 or 1.9% below the Fiscal 2002 level of appropriation.

**Administration** - The Director's Office appropriation is recommended at \$341,000, an increase of \$225,000 above the Fiscal 2002 level. The department has implemented an Indirect Cost Allocation Plan to apportion its central administrative expenses. The recommendation makes an allowance for 92.2 % of the Director's Office to be reimbursed from other departmental funding sources, as compared to 97.6% in Fiscal 2002. Eleven positions have been abolished.

The Office of Emergency Management function has been transferred to the Fire Department. Involved are two positions (\$100,000).

**Bureau of General Services** - The Fiscal 2003 recommended appropriation level is \$17.7 million, a decrease of \$1.3 million, or 6.8% below the Fiscal 2002 level of appropriation. The reduction is the result of the outsourcing of custodial and guard services in the Building Maintenance Division. Regarding the 185 custodial and guard positions abolished, all but 17 of the employees filling those positions have retired, resigned or have been transferred to other City positions when qualified. It is expected that all will be placed in alternative City positions before the end of this fiscal year. In addition, four HVAC positions will be abolished due to the intensified HVAC preventive maintenance program provided by outside vendors.

**Bureau of Solid Waste** - The Fiscal 2003 recommended appropriation level is \$31.0 million, an increase of \$65,300 or 0.2% above the Fiscal 2002 level of appropriation. The recommended level has been achieved in spite of a loss of \$1.7 million of reimbursement from capital funds related to the hauling of debris from the Wagner's Point demolition project.

Improved operational methods such as consolidated recycling, allows staff to devote more attention to cleaning activities. Similar work improvements at the Northwest Transfer Station will allow operations with one-third the positions previously required while extending the daily hours of operation.

**DEPARTMENT OF RECREATION AND PARKS** - The Fiscal 2003 recommendation is \$18.4 million, a decrease of \$192,800 or 1.0% below the Fiscal 2002 level of appropriation.

**Bureau of Parks** - The Fiscal 2003 recommended appropriation level is \$6.2 million, a net increase of \$622,200 or 11.2% above the Fiscal 2002 level of appropriation.

The recommendation includes \$1.0 million for contractual mowing of parks. This plan will allow the Bureau to fully service all parks mowing needs within the limits of current staffing.

The Horticulture Division's Fiscal 2003 level of appropriation is \$1.0 million, a decrease of \$285,100 or 22.0% below the Fiscal 2002 level of appropriation. The reduction will result in the elimination of landscaping services and plantings throughout the City. The loss of State Program Open Space (POS) funding of \$218,800 is a major contributor to the agency's inability to fully maintain funding the Horticulture Division. In order to meet budget requirements, 19 positions, valued at \$444,300 will be abolished. The Division plans to continue to provide for the Baltimore Conservatory in Druid Hill Park, Cylburn Arboretum, and the City Farms Program, which provides outreach horticulture service to neighborhoods for flower and vegetable gardens.

In order to meet target the Bureau will transfer three positions from the Parks Maintenance activity, valued at \$109,200 to the POS funded Gwynns Falls Trail activity.

**Bureau of Recreation - Regular Recreational Services' Fiscal 2003 recommended appropriation is \$9.1 million, a decrease of \$717,300 or 7.3% below Fiscal 2002 level of appropriation.**

To partly meet the recommended funding level, the administration of the School Age Child Care Program will be eliminated, abolishing three positions valued at \$98,300.

In an initiative to continue the outsourcing of custodial services, 46 Custodial Worker positions, valued at \$1.4 million will be abolished. Opportunities in alternative locations within the department as well as throughout City government will be explored in order to place the affected employees.

The Middle Branch Water Resource Center will close except for private facility rentals. Two positions, valued at \$50,400 are recommended to be abolished. Revenue should remain at the Fiscal 2002 level since revenue is derived from above mentioned rental activities. One Custodial Worker position at the William Myers Soccer Pavilion will be abolished (\$28,200) as part of the outsourcing of custodial services.

**RETIREEES' BENEFITS** – The recommendation for Fiscal 2003 is \$70.7 million, an increase of \$7.5 million, or 11.9 % above the Fiscal 2002 level of appropriation. This increase is related to the rising cost of health care and prescription drugs.

**SHERIFF'S OFFICE** – The Fiscal 2003 recommendation is \$9.0 million, an increase of \$561,000 or 6.6% above the Fiscal 2002 level of appropriation. The budget plan includes an additional \$270,000 for overtime to increase security at the courthouses from 8 to 24 hours a day. The recommendation also includes \$350,000 for increases to salaries and benefits.

**STATE'S ATTORNEY'S OFFICE** – The Fiscal 2003 recommendation is \$17.2 million, an increase of \$442,000 or 2.6% above the Fiscal 2002 level of appropriation. The recommendation includes an additional \$500,000 for projected salary increases. All of the agency's 271 permanent, full-time positions are funded. The Witness Protection activity will be continued at its current \$300,000 funding level. All other current level of services will be maintained.



## Motor Vehicle Fund

<i>Dollars in Millions</i>	<b>Fiscal 2002</b>	<b>Fiscal 2003</b>	<b>Change</b>	<b>% Change</b>
OPERATING APPROPRIATIONS	\$134.7	\$141.3	\$6.6	4.9%
FULL-TIME POSITIONS	1,878	1,867	(11)	(0.6)%

**DEBT SERVICE** – The recommendation for Fiscal 2002 is \$3.4 million, a decrease of \$0.5 million, or 12.8% below the Fiscal 2002 level of appropriation. The decrease is related to a reduction in principal payments for the State highway loan program.

**EMPLOYEES' RETIREMENT CONTRIBUTION** – In order to improve the accounting for the City's contributions to its employees' retirement systems the recommendation for Fiscal 2003 includes budgeting for these costs under a separate Mayoralty- Related program. These Motor Vehicle Fund costs will no longer be included in the budgets of City agencies. The contribution to the Fire & Police Retirement System is \$614,000 and \$2.4 million to the Employees' Retirement System.

**OFFICE OF TRANSPORTATION** – The recommendation for Fiscal 2003 for the Office's base operations is \$69.2 million, an increase of \$2.3 million, or 3.4% above the Fiscal 2002 level of appropriation. An additional \$1.3 million is included for Red Light Camera operations, \$795,000 for maintenance of street lighting poles and fixtures, \$650,000 for towing operations and \$288,000 for various materials used in street repair activities. Funding in the amount of \$174,000 is included for creation of five positions in the Director's Office.

Also recommended is the transfer of \$5.1 million for Retiree Health Benefits. In prior years funding for this purpose represented the Motor Vehicle Fund's prorated share of the Retirees' Benefits program. Fiscal 2003, this expense will be charged directly to the Motor Vehicle Fund.

**DEPARTMENT OF PUBLIC WORKS** – The Fiscal 2003 recommendation is \$34.4 million, a decrease of \$0.3 million, or 0.9% below Fiscal 2002 level of appropriation.

**Administration** - The recommendation for the Communications activity is \$745,400, a decrease of \$428,800 below the Fiscal 2002 level of appropriation. The reduction is due to revised reimbursements according to an agency indirect cost allocation plan. Such charges are assessed to the Office of Transportation, the Bureaus of Water and Wastewater and Solid Waste, and will be utilized to offset the costs of maintaining communications with all department vehicles and personnel. The current level of service will be maintained.

**General Services** - The Engineering/Construction Management Division will transfer two engineering positions (\$94,800) to the Bureau of Water and Wastewater's Storm Drain Engineering Division. The Storm Water Division will now oversee projects previously managed by this division.

**Solid Waste** - The Disposal Division has re-organized the Northwest Transfer Station operation thus reducing cost by \$ 663,700 and 16 positions. Included is the transfer of four positions to the General Fund aspect of the Transfer Station's operations (\$181,700), the abolishment of six vacant positions (\$160,800) and the transfer of six positions (\$180,400) to other divisions within the bureau.

**Water and Wastewater** – The Fiscal 2003 recommendation for the Storm Water Division is \$3.8 million, an increase of \$448,600 or 13.4% above the Fiscal 2002 level of appropriation.

The recommendation includes funding for an additional work crew of four laborer positions (\$89,300) to be added to improve maintenance capability. Two engineering positions (\$94,800) are transferred from the Bureau of General Services and will manage capital projects that were formerly managed by that bureau.

Non-labor expenditures are increased \$320,000, or 36.9% above the Fiscal 2002 level of appropriation. The increase will provide material support to the larger workforce and the operation of a second, recently opened Haven Street maintenance yard.

**RETIREEES' BENEFITS** – The recommendation for Fiscal 2003 is \$5.6 million. In prior years funding which reimbursed Retirees' Benefits was appropriated in the Office of Transportation. For Fiscal 2003 these funds are recommended to be appropriated directly in the Retirees' Benefits program.

### **Parking Management Fund**

<i>Dollars in Millions</i>	<b>Fiscal 2002</b>	<b>Fiscal 2003</b>	<b>Change</b>	<b>% Change</b>
OPERATING APPROPRIATIONS	\$8.8	\$9.0	\$0.2	2.3%
FULL-TIME POSITIONS	103	104	1	1.0%

**OFFICE OF TRANSPORTATION** – The recommendation for Fiscal 2003 is \$9.0 million, an increase of \$0.2 million, or 2.3% above the Fiscal 2002 level of appropriation. The Parking Authority's grant remains unchanged from the Fiscal 2002 level of \$1.1 million. The recommendation will maintain the current level of service.

## Waste Water Utility Fund

<i>Dollars in Millions</i>	<b>Fiscal 2002</b>	<b>Fiscal 2003</b>	<b>Change</b>	<b>% Change</b>
OPERATING APPROPRIATIONS	\$122.0	\$128.7	\$6.7	5.5%
FULL-TIME POSITIONS	1,093	1,089	(4)	(0.4)%

The recommendation for 2003 is \$128.7 million, an increase of \$6.7 million, or 5.5%, above the Fiscal 2002 level of appropriation. The recommendation provides for the continuation of the current level of service, plus improvements to comply with the Clean Water Act and new domestic security measures.

The Fiscal 2003 recommendation includes 1,089 positions, a decrease of four positions. The reduction reflects the transfer of one work crew from Wastewater Facilities to the Water Maintenance Division. Funding is provided for 15 new positions to improve the maintenance of treatment plants and conveyance systems.

The major factor driving the increase for Fiscal 2003 is an anticipated consent decree with the Environmental Protection Agency (EPA) concerning correction of sewer overflows. The tentative agreement would require the aforementioned 15 new positions (\$408,000), an estimated \$965,000 for various EPA mandated activities including on-going root and grease control, in-service training and emergency planning, and \$1.0 million for vehicles and minor pieces of equipment.

This budget also addresses domestic security concerns by including an additional \$833,000 to fund a conversion to the use of more expensive chemicals that cannot readily be used as a weapon in a terrorist attack.

## Water Utility Fund

<i>Dollars in Millions</i>	<b>Fiscal 2002</b>	<b>Fiscal 2003</b>	<b>Change</b>	<b>% Change</b>
OPERATING APPROPRIATIONS	\$84.2	\$90.5	\$6.3	7.5%
FULL-TIME POSITIONS	942	954	12	1.3%

The Fiscal 2003 recommendation is \$90.5 million, an increase of \$6.3 million, or 7.5 %, above the Fiscal 2002 level of appropriation. The request provides for the same level of services as Fiscal 2002 and provides for a small increase in water system maintenance personnel and improved measures for domestic security.

The recommendation includes 954 positions, an increase of 12 positions. Four positions are for

one additional work crew in the Water Maintenance Division, intended to reduce overtime and to enhance efficiency in the time required to make system repairs. Four storekeeper positions are added to improve control and distribution of supplies and equipment, and four supervisory and administrative positions are added to improve bureau management.

The Contractual Services category is increased by \$3.4 million, or 17.5% for Fiscal 2003. The total provides for: heightened security at water facilities; improved street re-paving following water main repairs; enhanced maintenance at treatment plants and pumping stations, and additional consulting services for engineering and information technology.

The Materials and Supplies budget is increased by \$1.3 million, or 21.6% above the Fiscal 2002 level of appropriation. Of this amount \$715,000 is for the more expensive water treatment chemicals that cannot be readily used as a weapon in a terrorist attack, and \$230,000 is to accelerate the replacement of outdated water meters.

The Equipment budget is recommended to increase \$662,000, or 61.3%. The increase includes \$483,000 for the replacement of aging motor vehicles.

### **Parking Enterprise Fund**

<i>Dollars in Millions</i>	<b>Fiscal 2002</b>	<b>Fiscal 2003</b>	<b>Change</b>	<b>% Change</b>
OPERATING APPROPRIATIONS	\$21.0	\$20.9	(\$0.1)	(0.5)%

**OFFICE OF TRANSPORTATION** – The recommendation for Fiscal 2003 is \$20.9 million, a decrease of \$100,000 or 0.5% below the Fiscal 2002 level of appropriation. Debt Service is projected to decrease by \$ 1.5 million due to lower interest rates and reduced borrowing costs. Garage operations will increase by \$1.4 million due to additional security charges (\$871,000) and non-capital repairs to the garages (\$750,000).

## Federal Grants

<i>Dollars in Millions</i>	<b>Fiscal 2002</b>	<b>Fiscal 2003</b>	<b>Change</b>	<b>% Change</b>
OPERATING APPROPRIATIONS	\$250.2	\$236.2	\$(14.0)	(5.6)%
FULL-TIME POSITIONS	1,477	1,395	(82)	(5.6)%

**COMMISSION ON AGING AND RETIREMENT EDUCATION** - The Fiscal 2003 recommended appropriation is \$4.5 million, a decrease of \$623,000 or 12.2% below the Fiscal 2002 level of appropriation. The reduction in funding is the result of the removal of client contributions from federal grant appropriations. Client contributions are composed of the share of costs paid by the individual for each meal or other service. Previously, the federal grants were overstated by this amount. In addition, Senior Health Insurance Counseling has been moved appropriately to State grants, resulting in the abolishment of two positions. Functions can be absorbed within the State grants programmatic workforce.

**HEALTH DEPARTMENT** – The agency’s Fiscal 2003 recommendation is \$97.1 million, a decrease of \$20.2 million, or 17.2% below the Fiscal 2002 level of appropriation. The recommendation includes a transfer to State grants of \$26.0 million to more accurately categorize the funding source of several substance abuse treatment grants, including an \$8.1 million grant from the State’s Cigarette Restitution fund. The budget plan includes an additional \$2.0 million as a result of current year revisions to the Ryan White grant, which provides funding for comprehensive services for HIV-infected persons. The agency expects to receive \$3.1 million in new grants for substance abuse treatment, including a \$413,000 grant targeted against school violence. The Fiscal 2003 recommendation also includes \$515,000 for a new grant received this fiscal year for prostate cancer screening at the Men’s Health Center and for oral cancer screening at the Oral Services clinic.

**MAYOR'S OFFICE OF CRIMINAL JUSTICE** – Recommended for Fiscal 2003 is the transfer of \$7.7 million in grants from the Mayor's Office of Criminal Justice to the Police Department. This transfer is recommended in order to provide enhanced administrative coordination over federal and State public safety grants that come to this agency that are then passed through to various City agencies.

**MAYOR'S OFFICE OF EMPLOYMENT DEVELOPMENT** – The recommendation for Fiscal 2003 is \$32.3 million, a decrease of \$560,000, or 1.7% below the Fiscal 2002 level of appropriation. The recommendation will align Fiscal 2003 appropriations with current grant awards. The current level of service will be maintained.

**POLICE DEPARTMENT** - The recommendation for Fiscal 2003 is \$22.8 million, an increase of \$7.4 million, or 48.0% above the Fiscal 2002 level of appropriation. This increase is attributed to the transfer of the Mayor's Office of Criminal Justice to the Police Department. Federal grants include: \$3.2 million - Local Law Enforcement Block Grant (LLEBG V); \$1.0 million - HOPE Grant (replaces State Hot Spots Grant); \$800,000 - Re-Entry Job Training, \$602,000 - Continuation Grant (replaces State Hot Spot Grants); \$413,400-Special Juvenile

Intervention Grant and \$413,000-Tamar's Project, a grant to provide comprehensive health, pre-natal and post-natal care to women incarcerated pending trial and post conviction destined to deliver their infants behind bars.

**STATE'S ATTORNEY'S OFFICE** – The Fiscal 2003 recommendation is \$2.1 million, an increase of \$379,000 or 22.0% above the Fiscal 2002 level of appropriation. The recommendation includes four new prosecutor positions and an additional \$277,000 for gun violence prosecution. The main focus of this new grant will be the prosecution of cases involving violent crimes committed with guns and other violations of gun statutes involving drug trafficking and gang-related crimes. The Fiscal 2003 plan also includes one new social worker position (\$45,000) in the Family Bereavement grant.

## State Grants

<i>Dollars in Millions</i>	<b>Fiscal 2002</b>	<b>Fiscal 2003</b>	<b>Change</b>	<b>% Change</b>
OPERATING APPROPRIATIONS	\$77.7	\$103.0	\$25.3	32.6%
FULL-TIME POSITIONS	432	460	28	6.5%

**CIRCUIT COURT** – The Fiscal 2003 recommendation is \$3.6 million, a decrease of \$248,000 or 6.4% below the Fiscal 2002 level of appropriation. The recommendation includes the abolishment of a vacant deputy administrator position (\$65,000) and \$145,000 in excess appropriation as a result of an anticipated grant that was included in the Fiscal 2002 budget, but never materialized. All other current services will be maintained.

**ENOCH PRATT FREE LIBRARY** – The recommendation for Fiscal 2003 is \$9.3 million, an increase of \$1.1 million, or 13.4% above the Fiscal 2002 level of appropriation. This is due to the State Library Resource Center per capita rate being increased from \$1.55 to \$1.70. The additional funding will provide for the replacement of Sailor Network routers around the State, improved Inter-Library Loan Services, digitization of materials and improved reference services.

**HEALTH DEPARTMENT** – The Fiscal 2003 recommendation is \$51.0 million, an increase of \$30.0 million, or 142.9% above the Fiscal 2002 level of appropriation. The recommendation includes a transfer from the federal grants classification of \$26.0 million to more accurately categorize the funding source of several substance abuse treatment grants, including an \$8.1 million grant from the State's Cigarette Restitution fund. The Fiscal 2003 recommendation includes a total of \$36.7 million in State grants for the City's substance abuse program operated by the Baltimore Substance Abuse System (BSAS). The recommendation does not include any additional funds that are pending before the General Assembly. Also recommended is \$3.4 million for the City's lead paint initiative, which was not included in the Fiscal 2002 adopted budget.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** – The recommendation for Fiscal 2003 is \$12.1 million, a decrease of \$5.3 million, or 31.0% below the

Fiscal 2002 level of appropriation. Funding for the Maryland Energy Assistance Program (MEAP) is reduced by \$5.7 million. The payment of gas and electric heating costs, which previously passed through the City, are now, paid directly to the utility companies by the State. Current service levels will be maintained. Special Housing Grants decreased by \$580,000 due to the transfer of the Rental Assistance Program to the Housing Authority of Baltimore City (HABC) for Fiscal 2003. Homeless' Services is increased by \$1.2 million and will be used for counseling, job training, and substance abuse services for the homeless.

**MAYOR'S OFFICE OF CHILDREN, YOUTH & FAMILIES** – The recommendation for Fiscal 2003 is \$3.7 million, an increase of \$1.3 million, or 54.2% above the Fiscal 2002 level of appropriation. The agency anticipates State pass through grants for the following programs: \$1.2 million - Baltimore Reads; \$1.0 million - Safe and Sound; \$1.1 million - Family League; \$89,300 - Baltimore Urban League and \$25,000 - Child Care Conference.

**MAYOR'S OFFICE OF CRIMINAL JUSTICE** – Recommended for Fiscal 2003 is the transfer of \$108,000 in grants to the Police Department. This transfer is recommended in order to provide enhanced administrative coordination over federal and State public safety grants that come to this agency that are then passed through to various City agencies. The recommended appropriation for Fiscal 2003 is \$108,000 or 93.8% below the Fiscal 2002 level of \$1.6 million. The recommended appropriation represents the balance of the State HotSpots grants and covers the salaries and benefits for two positions. This decrease is attributed to the State HotSpots grants being discontinued and replaced by the federal HOPE and CONTINUATION Grants.

**POLICE DEPARTMENT** - The recommendation for Fiscal 2003 is \$7.5 million, an increase of \$105,900 or 0.1% above the Fiscal 2002 level of appropriation. This increase is attributed to the transfer of the Mayor's Office of Criminal Justice to the Police Department and the elimination of the State HotSpots grant. The federal HOPE and CONTINUATION grants will replace the State HotSpots grants.

**DEPARTMENT OF RECREATION AND PARKS** - The recommendation for Fiscal 2003 is \$3.0 million, a reduction of \$1.0 million or 25.0% below the Fiscal 2002 level of appropriation due to reductions in the State Program Open Space allocation. This reduction directly affects operations in the parks maintenance function as well as the Horticulture Division which is primarily supported by in the General Fund. These General Fund functions were somewhat dependent on funding from this source.

## Special Fund

<i>Dollars in Millions</i>	<b>Fiscal 2002</b>	<b>Fiscal 2003</b>	<b>Change</b>	<b>% Change</b>
OPERATING APPROPRIATIONS	\$31.6	\$36.6	\$5.0	15.8%
FULL-TIME POSITIONS	275	269	(6)	(2.2)%

**COMMISSION ON AGING AND RETIREMENT EDUCATION** – The Fiscal 2003 recommendation is \$1.9 million, an increase of \$1.2 million, or 171.4% above the Fiscal 2002

level of appropriation. The increase represents fees that clients pay to participate in activities such as the Taxi Voucher, Home Delivered Meals and Congregate Meals programs. Previously, these payments were recorded as program income and were used as sources of funds to increase grant-related appropriations. By recording these fees separately the agency will be able to more accurately reflect the actual level of funding participation for its various grants.

**EMPLOYEES' RETIREMENT SYSTEMS** – The Fiscal 2003 appropriation plan for the Employee Retirement Systems administration is recommended at \$5.5 million, an increase of \$1.3 million, or 32.2% above the Fiscal 2002 level of appropriation. The appropriation plan includes \$1.2 million to provide for the acquisition, alteration and furnishing of new office space.

**FIRE DEPARTMENT** – The Fiscal 2003 recommendation is \$9.1 million, an increase of \$3.5 million, or 62.5% above the Fiscal 2002 level of appropriation. The source of funding is revenue generated from ambulance fees that are designated by local law for the emergency medical service. Achieving this growth depends on a fee increase that will be proposed to the Board of Estimates for its approval, as well as an expected enhanced collection rate.

**MAYOR'S ADVISORY COMMITTEE ON ART AND CULTURE** – Due to the merging of the administrative component of this agency with the Baltimore Office of Promotion, there will be no Special Fund grants recommended for Fiscal 2003. Therefore, a reduction of \$395,000 from the Fiscal 2002 level of appropriation is recommended. Grants will be received directly by the new Baltimore Office of Promotion and Arts.

**MAYOR'S OFFICE OF CHILDREN, YOUTH & FAMILIES**– The recommendation for Fiscal 2003 is \$1.5 million, an increase of \$447,000 or 42.5% above the Fiscal 2002 level of appropriation. The agency anticipates grants from the Casey Foundation (\$1.2 million) and Family League (\$300,000) to support Baltimore Rising, a faith-based, community-driven mentoring and monitoring program aimed toward at risk youth.

**DEPARTMENT OF RECREATION AND PARKS** - The Fiscal 2003 recommended appropriation is \$752,100 a decrease of \$1.3 million, or 63.3% below the Fiscal 2002 level of appropriation. The areas of decrease include:

**Regular Recreational Services** - The Safe and Sound training grant from the Family League of Baltimore will be reduced by \$563,000. The training program is expected to be completed by the end of Fiscal 2002.

**Supplementary Recreational Services** - The School Age Child Care Program is recommended to be eliminated, reducing funding by \$690,000, abolishing 15 positions. The closing of this program is necessitated due to the low participation by the client audience. The lack of participation is the result of childcare payments now allowed to be paid to family members by the State program. In addition, City charges to clients for these services are significantly higher than the private sector.